

## Message Text

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PAGE 01 LONDON 04093 141957Z  
ACTION EB-08

INFO OCT-01 EUR-12 EA-10 ISO-00 AID-05 CIAE-00 COME-00  
FRB-03 INR-10 NSAE-00 USIA-06 XMB-02 OPIC-03  
SP-02 LAB-04 SIL-01 OMB-01 ABF-01 H-01 L-03 HA-05  
IO-13 /091 W  
-----106378 150506Z /17

R 141759Z MAR 78  
FM AMEMBASSY LONDON  
TO SECSTATE WASHDC 4130  
TREASURY DEPT WASHDC  
INFO AMEMBASSY BONN  
AMEMBASSY PARIS  
AMEMBASSY ROME  
AMEMBASSY TOKYO

CONFIDENTIAL LONDON 04093

E.O. 11652: XGDS-1  
TAGS: EAID, EFIN  
SUBJECT: PROPOSED INCREASE IN IMF/IBRD STAFF SALARIES

REF: LONDON 3272; STATE 43945

1. KEN COUZENS, SECOND PERMANENT SECRETARY, HMTREASURY,  
HAS WRITTEN LETTER TO TREASURY REPRESENTATIVE DATED  
9 MARCH, AS FOLLOWS:

QUOTE AS YOU KNOW, WE START FROM A POSITION OF  
FULLY UNDERSTANDING YOUR DIFFICULTIES WITH CONGRESS, VIS-  
A-VIS THE IBRD AND IMF, IN WHICH STAFF SALARIES ARE ONE  
ELEMENT; AND, AS I HOPE WE HAVE ALREADY SHOWN, WE ARE  
ANXIOUS TO DO WHAT WE CAN TO HELP. FOR THIS REASON, WE  
HAVE BEEN GLAD TO WORK WITH OUR U.S. COLLEAGUES TO PRO-  
MOTE AND TO FUND THE STUDY OF STAFF PAY BY OUTSIDE CON-  
SULTANTS, AS PART OF THE WORK OF THE JOINT COMMITTEE O  
EXECUTIVE DIRECTORS. WE TRUST THAT THE OUTCOME WILL BE  
TO REMOVE THIS SOURCE OF DIFFICULTY WITH CONGRESS.

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QUOTE BUT THERE ARE OTHER RELEVANT CONSIDERATIONS  
TOO. ONE IS STAFF MANAGEMENT AND MORALE WITHIN THE IBRD  
AND IMF. ANOTHER IS THAT WE OUGHT BOTH TO HANDLE THE RE-  
SULTS OF THE JOINT COMMITTEE'S STUDY OBJECTIVELY AND TO  
LOOK AS IF WE INTEND TO DO SO. WE THEREFORE HAVE TO BE  
CAREFUL NOT TO CREATE JUSTIFIED RESENTMENTS BY PROCEEDING  
NOW AS IF THE RESULTS OF THE STUDY ARE A FOREGONE CONCLU-

SION.

QUOTE SINCE OUR DISCUSSION TOOK PLACE WE HAVE SEEN THE IMF MANAGING DIRECTOR'S PAPER EBAP/78/57, WHICH PROPOSES AN INCREASE IN BANK/FUND STAFF SALARIES BY THE FULL AMOUNT OF THE RISE IN THE COST OF LIVING IN THE WASHINGTON DC AREA, FROM 1 MARCH. WE HAVE NOT YET MADE OUR MINDS UP IN DETAIL ON OUR ATTITUDE TO THIS PROPOSAL. BUT I THINK WE ARE LIKELY TO CONCLUDE THAT WE SHOULD NEITHER SUPPORT AN INCREASE BY THE FULL AMOUNT OF THE RISE IN THE COST OF LIVING, NOR WHOLLY REJECT THE PROPOSAL. EITHER OF THESE COURSES, WE THINK, WOULD BE CONSTRUED AS PREJUDICIAL TO THE OUTCOME OF THE JOINT COMMITTEE'S DELIBERATIONS, AND WE ARE ANXIOUS NOT TO PUT AT RISK THE USEFUL WORK WHICH HAS BEEN DONE UNDER THIS COMMITTEE'S SUPERVISION. A SMALL INTERIM COST OF LIVING INCREASE SHOULD AVOID THIS RISK; AND WOULD, WE THINK, BE A FAIR ARRANGEMENT IN PRESENT CIRCUMSTANCES. UNQUOTE.

BREWSTER

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## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PERSONNEL, NEGOTIATIONS, WAGE RATES  
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**Copy:** SINGLE  
**Draft Date:** 14 mar 1978  
**Decapton Date:** 01 jan 1960  
**Decapton Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
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**Review Transfer Date:**  
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**Status:** NATIVE  
**Subject:** PROPOSED INCREASE IN IMF/IBRD STAFF SALARIES  
**TAGS:** EAID, EFIN, IBRD, IMF  
**To:** STATE TRSY  
**Type:** TE  
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